



MARYLAND HEALTH CARE COMMISSION

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FOR IMMEDIATE RELEASE

Per-User Fee-for-service Spending Increases Four Percent In 2006

BALTIMORE, MD (May 15, 2008) – *Practitioner Utilization, Trends Among Privately Insured Patients, 2005-2006*, an annual report that summarizes trends in the volume and pricing of services of physicians and other practitioners received by privately insured, nonelderly residents of Maryland, was released today by the Maryland Health Care Commission (MHCC). The report is based on health care claims and encounter data that most health insurance plans serving Maryland residents submit annually to the MHCC as part of the Medical Care Data Base (MCDB).

Major findings include:

- Per-user fee-for-service spending on practitioner services rose about four percent in 2006 to \$941 up from \$904. The increase is slightly below the five percent increase in total per capita spending for the privately insured as reported by MHCC in January 2008. The four percent increase is driven by a five percent increase in resource use per user and a small decline (about one percent) in the price per unit of service.
- Geographically, per-user spending remains highest in the National Capital Area (NCA) at \$1,000 and lowest in rural Maryland at \$878. Per-user spending grew about four percent in the Baltimore metropolitan area to \$929, compared to a six percent increase in rural parts of the state and three percent in the NCA.
- The two payers with the largest market shares (Carefirst and United Health Care), and other payers paid about the same amount per-user for practitioner expenses in 2006, \$1,041 versus \$1,062. Users insured by large payers received about 13 percent more covered services and practitioners were reimbursed on average about 16 percent less per standard unit of service by large payers.
- The consumer-directed health plans (CDHP) now offered by all major carriers continued to grow, with their share of users almost doubling in 2006. However, CDHP users accounted for just under two percent of all users. Mean spending per user (including carrier payments and patient liabilities) in CDHPs fell slightly in 2006 to \$859 from \$867 in 2005. The share of spending paid out of pocket by CDHP users has decreased from 51 percent in 2004, to 48 percent in 2005, to 40 percent in 2006. Individual users in CDHPs had lower average documented disease risk which was likely to lead to lower practitioner utilization compared to all users.

For questions regarding the report, please contact Mr. Ben Steffen, Center for Information Services and Analysis at 410-764-3570 or bsteffen@mhcc.state.md.us. The complete report is available on the MHCC web site at mhcc.maryland.gov.